

**State of Idaho
Drinking Water State Revolving Fund
State Fiscal Year 2005
Intended Use Plan**

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**IDAHO
DRINKING WATER STATE REVOLVING FUND
STATE FISCAL YEAR 2005
INTENDED USE PLAN**

I. Introduction

On August 6, 1996, the Safe Drinking Water Act (SDWA) Amendments of 1996 (P.L.104-182) were signed into law. Section 1452 of this Act authorized the Administrator of the U.S. Environmental Protection Agency (EPA) to establish a Drinking Water State Revolving Fund (DWSRF) program to assist public water systems finance the costs of infrastructure needed to achieve or maintain compliance with the SDWA requirements and to protect public health.

Section 1452(b) requires each State to annually prepare an Intended Use Plan (IUP) identifying the use of funds in the DWSRF and describe how those uses support the goal of protecting public health.

The State of Idaho, Department of Environmental Quality (DEQ) proposes to adopt the following IUP for the State Fiscal Year (SFY) 2005 (July 1, 2004 through June 30, 2005). The source of federal funding identified in this IUP is the Federal Fiscal Year (FFY) 2004 Capitalization Grant. The DWSRF is administered by the DEQ Water Quality Division Loan Program, which also administers the Clean Water SRF.

This IUP includes the following:

- A list of prospective loan projects, ranked in priority order, including size of systems, estimated project cost and a project description
- The criteria and methods for distribution of funds
- Short-term and long-term goals of the DWSRF
- DWSRF set-aside activities-
- Assurances and specific proposals

Funding is available for projects totaling **\$23,185,202** and will come from five (5) sources:

1. Idaho's allotment of the FFY 2004 SDWA Program appropriation of **\$5,729,139**.
2. A state match of **\$1,660,620** that is being reserved in the Water Pollution Control Account and will be transferred to the Drinking Water Loan Account.
3. Carryover DWSRF project funds of **\$11,517,293**. These are funds that were awarded from FFY 2002 and 2003 Capitalization Grants including state match, that were not committed to projects.

4. Several projects have completed construction and are in the loan repayment phase. **\$1,452,015** will be received from those projects. **\$266,714** will be accrued during April, May and June of 2004. An additional **\$1,185,301** will be accrued during SFY 2005.
5. The loan fund will provide **\$2,826,135**. There is a current cash balance of **\$2,763,635** and the interest earnings are estimated at **\$62,500**.

II. List of Projects

Attachment III is the SFY 2005 Drinking Water Loan Project Priority List (Project Priority List) which was approved by the Board of Environmental Quality on June 23/24, 2004. Projects are arranged on the Project Priority List in priority order. The method for determining the priority rating for projects and the public involvement process are described in the latter parts of this document. Projects on the Project Priority List that are not on the Intended Use Plan (see Attachment II) and are not funded by another agency can be re-rated and carried over to the next SFY Project Priority List.

III. Program Goals

A. Long-Term Goals

1. Protect public health of citizens served by drinking water systems by offering financial assistance to construct the most cost effective drinking water facilities.
2. Assist public water systems as they strive to achieve and maintain statewide compliance with federal and state drinking water standards. DEQ will provide information and technical assistance in the form of brochures and the quarterly Drinking Water Bulletin, which contains articles on such topics as the DWSRF, operator training and certification, and GWUDI monitoring and treatment technology.
3. Fully implement a mandatory operator certification program, as well as, an operator training program.
4. Implement a capacity development strategy.
5. Implement a source water assessment strategy and where appropriate - provide monitoring relief.
6. Manage the Idaho DWSRF to ensure its financial integrity, viability and revolving nature in perpetuity.

B. Short-Term Goals

1. Perform the tasks necessary to assure that all loan assistance requested from FFY 2004 funding is provided for projects on the SFY 2005 Drinking Water Loan Project Priority List in a timely manner.
2. Make any changes and additions to Idaho's administrative and operating procedures that may be necessary to facilitate continued long-term DWSRF operations.
3. Prepare and make any modifications necessary for the FFY 2004 Capitalization Grant application, including:
 - Application Form 424
 - Operating Agreement
 - Procedures
 - Biennial Report
 - Organizational Flow Charts & Descriptions
 - Intended Use Plan

IV. Information on the Activities to be Supported

A. Allocation of Funds

The primary type of assistance to be provided by the DWSRF is expected to be in the form of low interest loans for up to 100% of project costs. The rate of interest in SFY 2005 will be 3.25% with the exception that, portions of those projects being built to comply with requirements for additional treatment imposed by the SDWA and projects that consolidate two or more drinking water systems will be 2.0%. Some projects may have a blended interest rate between 3.25% and 2.0%. Principal and interest repayments must begin no later than one year after the date the constructed facility initiates operations. All loans, with the exception of disadvantaged loans, will be paid back over a period not to exceed twenty (20) years. Disadvantaged loans may have repayment schedules of up to thirty (30) years.

B. Loan Eligible Activities

DWSRF loans will provide for construction of water supply, treatment, storage and distribution facilities. SRF loan assistance will be provided to local communities, counties, water districts, and non-profit associations.

DEQ may award any combination of planning, design and construction loans from the DWSRF.

C. Use of Set-asides

DEQ plans to reserve four percent (4%) or **\$332,124** of the capitalization grant for administrative expenses of the DWSRF. Such activities include, but are not limited to: preparation of project lists; project application, review and monitoring; review of environmental documents; disbursement of loan funds; receipting of loan repayments and administering activities funded from the DWSRF set-asides.

DEQ plans to reserve two percent (2%) or **\$166,062** to provide technical assistance to small public water systems. None of these funds will be spent until EPA has approved a work plan that identifies tasks for which the funds will be used.

DEQ plans to reserve ten percent (10%) or **\$830,310** to supplement the Drinking Water program. None of these funds will be spent until EPA has approved a work plan that identifies tasks for which the funds will be used.

DEQ plans to reserve ten percent (10%) or **\$830,310** of the capitalization grant for wellhead (drinking water) protection. These funds will be utilized for conducting hydrologic, geotechnical, and contaminant susceptibility studies in support of the design and development of drinking water protection plans. In areas where surface or subsurface drinking water has been identified as contaminated, or has been determined to have a high potential for future contamination, DEQ will conduct or oversee the implementation of projects designed to mitigate or reduce the potential for contamination of identified waters. In addition, DEQ will use a portion of this set-aside to provide technical assistance to public water supply systems and local government entities on all aspects of drinking water protection plan development and implementation. None of these funds will be spent until EPA approves a work plan that identifies tasks for which the funds will be used.

DEQ plans to reserve five percent (5%) or **\$415,155** of the capitalization grant for development and implementation of the capacity development strategy. These monies will fund the several capacity development tasks as detailed in the approved workplan. None of these funds will be spent until EPA has approved a work plan that identifies tasks for which the funds will be used.

If the amount of funds reserved are not used in the first year, the excess will be banked and used for the same purposes in future years.

V. Assurances and Specific Proposals

A. Environmental Reviews

DEQ certifies that it will conduct environmental reviews of each project receiving assistance from the DWSRF. DEQ will follow “EPA approved, NEPA-like procedures” in conjunction with environmental reviews.

These procedures are outlined in IDAHO ADMINISTRATIVE CODE IDAPA 58.01.20 - Rules for Administration Department of Environmental Quality of Drinking Water Loan Account.

A more detailed procedural description can also be found in the Drinking Water Loan Account Handbook of Procedures (Chapter 5). Copies of both the Rules and Procedures were included in the application for FFY 97 funds.

B. Binding Commitments

DEQ will enter into binding commitments in an amount equal to each quarterly grant payment and proportional state match within one year of receipt of that payment. Payment dates are listed in Attachment IV of this IUP.

C. Expeditious and Timely Expenditures

DEQ will expend all funds in the DWSRF in a timely and expeditious manner.

D. State Matching Funds

DEQ agrees to deposit state monies into the DWSRF in an amount equal to twenty percent (20%) of the federal Capitalization Grant on or before the date by which the State of Idaho receives the cash draw from EPA. These funds will be transferred from the State of Idaho Water Pollution Control Account.

E. State Laws and Procedures

DEQ agrees to expend each quarterly grant payment in accordance with applicable state laws and procedures.

F. National Reporting Needs

DEQ agrees to provide data or information to EPA as may be required for national reports, and public or congressional inquiries.

VI. Criteria and Method for Distribution of Funds

Idaho drinking water systems will be queried regularly to obtain information regarding projects for which loan monies could be used. Additional information about potential projects will be obtained from DEQ Regional Office engineers, privately retained consulting engineers and other state and federal agencies. DWSRF monies will be distributed according to the methods, criteria and eligible activities as identified and described in the IDAHO ADMINISTRATIVE CODE IDAPA 58.01.20 - Rules for Administration of Drinking Water Loan Account.

The criteria and methods for distribution of funds are designed to allow maximum flexibility in providing assistance, thereby enhancing the long-term viability and revolving loan aspect of the DWSRF Program.

DEQ will use the priority rating system outlined here for managing the DWSRF program. Only projects on the Project Priority List are eligible for funding. DEQ will use both a List of Fundable Projects (see Attachment II) and a separate Comprehensive Project Priority List (see Attachment III). DEQ will select projects for the List of Fundable Projects starting with the highest rated project on the Comprehensive Project Priority List that is ready to proceed and continue down that list as far as possible in order to use all of the available funds.

DEQ reserves the right to fund lower priority projects over higher priority projects that are not ready or willing to proceed. In such instances DEQ will comply with established by-pass procedures. DEQ may add projects to the List of Fundable Projects due to emergencies such as an unanticipated system failure or a project that is needed to prevent an imminent health threat.

No funding commitment will be made to a project until an engineering report, environmental review and a financial, managerial, and technical assessment have been completed.

The rating criteria used for the SFY 2005 Project Priority List are as follows:

PUBLIC HEALTH EMERGENCY

Water borne outbreak, or Contaminated source level exceeds unreasonable risk to health, or Failed water source 100

PUBLIC HEALTH HAZARD

Evidence of waterborne illnesses 19
 Reports of waterborne illnesses..... 10
 High potential for waterborne illnesses.....5

WATER QUALITY VIOLATION**Microbiological**

More than 6 primary maximum contaminant level (MCL) violations in preceding 12 months 15
 4-6 MCL violations in past 12 months..... 12
 2-3 MCL violations in past 12 months.....9
 1 MCL violation in past 12 months.....6
 Positive coliform sample in last 12 months3

Chemical

MCL exceeded- chronic chemical, radiological or lead 15
 Action level exceeded for copper..... 11
 Violation of secondary drinking water standards.....8
 Does not meet all applicable MCL goals7
 Surface water treatment technique violations 15

GENERAL CONDITIONS OF EXISTING FACILITIES

Necessary water treatment facilities either do not exist, not functioning or do not meet Idaho drinking water rules..... 14
 Ground water sources are not developed or protected according to the rules 10
 Source capacity not adequate to meet demand and the system occasionally goes dry or has low pressure 10
 Storage, pumping and distribution facilities have inadequate capacity to meet demand..... 10
 Facilities have inadequate capacity and cannot meet current demand..... 10
 Existing storage tanks leak excessively or are structurally flawed5
 Pipe leak repair greater than 4 leaks per 100 connections per year2

OVERALL URGENCY (Only 1 selected)

System out of water, no water to flush toilets 10
 Water delivered cannot be rendered safe by boiling 10
 Water delivered can be rendered safe by boiling5
 System occasionally out of water.....5

	<u>Points</u>
<u>UNDER CONSENT OR ADMINISTRATIVE ORDER</u>	30
INCENTIVES	
Source water assessment	2
Protective zone	2
Master or facility plan complete.....	2
Replacement fund established	2
Consolidation plan in place	2
Active back flow program in place	2
Conservation oriented rate structure (meters)	2
Current on all monitoring requirements	2
AFFORDABILITY	
Project User Charge exceeds affordable criteria	10

VII. Additional Information Requirements

A. Public Review and Comment

The IUP contents including the Project Priority List were subjected to a thorough public participation process. Draft Project Priority Lists were mailed to public water systems. Regional office staff made personal contact with drinking water systems in their respective areas that had indicated interest. Draft Project Priority Lists were also disseminated to all state and federal agencies involved in infrastructure financing. Those agencies, including Rural Development, Economic Development Agency, Idaho Department of Water Resources and Idaho Department of Commerce (Community Development Block Grants) meet quarterly to discuss potential projects.

In addition to the above, the draft Intended Use Plan including the List of Fundable Projects and the Project Priority List was posted on the DEQ website during the comment period.

A public hearing was held in Boise at the DEQ State Office on May 12, 2004 to discuss the IUP and the Project Priority List. Notices of the hearing were published in newspapers statewide 21 days in advance of the hearing. Comments received from the hearing were formally responded to by DEQ staff. A summary of the public participation process is included as Attachment VI.

Projects from the SFY 2005 Project Priority List that DEQ intends to provide loan funding for, are identified on the List of Fundable Projects on Attachment II.

The Board of Environmental Quality adopted the SFY 2005 Project Priority List and the List of Fundable Projects on June 23/24 2004.

B. Bypass Procedures

A project that does not or will not meet the project target date or a DEQ schedule that allows for timely utilization of loan funds may be bypassed, substituting in its place the next highest ranking project(s) that is ready to proceed, as identified and described in the IDAHO ADMINISTRATIVE CODE IDAPA 58.01.20 - Rules for Administration of Drinking Water Loan Account. DEQ intends to utilize Project Priority List ranking as much as possible when preparing the Intended Use Plan. However the lack of adequate funding, changes in project scope, failure to pass a bond election, or other unforeseen circumstances may require that a project on the Intended Use Plan be bypassed. If a project is bypassed, DEQ will offer loan funds to the highest ranked, ready-to-proceed project from the most current approved Project Priority List.

ATTACHMENT I

IDAHO DRINKING WATER STATE REVOLVING LOAN FUND FUNDING BREAKDOWN FFY 2004 Allotment = \$8,303,100

<u>Federal Capitalization Funds</u>	<u>Funds Available \$</u>	<u>Setasides</u>	<u>Available To DWSRF\$</u>
4% Program Administration 1452(g)	332,124	(332,124)	-
2% Technical Assistance 1452(g)	166,062	(166,062)	-
10% PWSS Funding 1452(g)	830,310	(830,310)	-
10% Wellhead Protection 1452(k)	830,310	(830,310)	-
5% Capacity Development 1452(k)	415,155	(415,155)	-
Available for Loan Projects	<u>5,729,139</u>	<u>-</u>	<u>5,729,139</u>
Total Capitalization Grant	8,303,100	(2,573,961)	5,729,139
 <u>State Match</u>	 1,660,620	 -	 1,660,620
 <u>Carry-over Funds From Prior Years</u>	 11,517,293		 11,517,293
 <u>Loan Repayments</u>	 1,452,015		 1,452,015
 <u>Cash From The Loan Fund</u>	 2,826,135		 2,826,135
 Total Available for DWSRF Loans	 <u>\$25,759,163</u>	 <u>(\$2,573,961)</u>	 <u>\$23,185,202</u>

ATTACHMENT II

LIST OF FUNDABLE PROJECTS

Project Name	Rank	System Type	Loan Amount	Estimated Commitment Date
City of Bancroft	1	P	\$800,000	7/04
City of Preston*	2	P	\$4,000,000	7/04
City of Marsing*	3	P	\$300,000	3/05
Fairways HOA	4	PNP	\$300,000	12/04
Caribou Acres HOA	5	PNP	\$150,000	9/04
Falls Water Company	6	P	\$250,000	12/04
City of Butte City*	7	P	\$625,000	9/04
Fish Haven Pipe Line Co.	8	PNP	\$300,000	3/05
East Shoshone County Water District - Burke*	9	P	\$180,000	3/05
Kingston Water District #1*	10	P	\$2,600,000	
City of Castleford	11	P	\$200,000	3/05
City of Bloomington	12	P	\$300,000	3/05
Harpster Community System	13	P	\$150,000	3/05
City of Hansen	14	P	\$1,700,000	9/04
City of Burley*	15	P	\$4,000,000	9/04
City of Chubbuck*	16	P	\$300,000	7/04
Splendid Acres Water Association	17	PNP	\$100,000	3/05
ED-DAH-HOW Acres	18	PNP	\$50,000	3/05
City of Nampa	19	P	\$3,000,000	9/04
Cottonwood Point Water and Sewer Assoc.	20	PNP	\$250,000	3/05
Atlanta Water Association	21	PNP	\$200,000	3/05
City of Homedale	22	P	\$450,000	12/04
Sagle Valley Water District	23	P	\$1,600,000	3/05
City of Kooskia	25	P	\$200,000	12/04
City of Kendrick	26	P	\$475,000	12/04
City of Driggs	27	P	\$100,000	12/04
Rustic Acres Mobile Home Park	28	PNP	\$73,000	3/05
Tamarack Falls - Wagon Wheel and Edwards Water Systems	29	P	\$532,202	3/05

TOTAL

\$23,185,202

- * These projects are carried over from prior year's fundable list
- P=Public Water System PNP=Private Non-Profit Water System

This list contains projects that are the highest rated that are willing to proceed. Projects on this fundable list may be bypassed if they do not complete an engineering report that complies with DEQ requirements or do not meet DEQ requirements for financial, managerial and technical capability. A description of each of the projects listed above is provided on the following pages.

LIST OF FUNDABLE PROJECTS - PROJECT DESCRIPTIONS

City of Bancroft	(Caribou County, Pocatello Regional Office)	\$800,000
The City of Bancroft wants to install a new well, rehabilitate an existing well, increase their storage capacity, and install new distribution lines.		
City of Preston	(Franklin County County, Pocatello Regional Office)	\$4,000,000
Preston has fire safety and potential drinking water safety problems related to low pressure in their drinking water distribution system. The pressure in their system is low due in part to small diameter pipes. Low-pressure zones could hamper effective fire protection and creates problems for residential use as well. Backflow devises are needed at critical points in the system to prevent contamination during serious low-pressure times. Water meters are needed to regulate volume of use to establish a realistic fee structure. The City of Preston wants to upgrade distribution lines, add more storage capacity, and install meters.		
City of Marsing	(Owyhee County, Boise Regional Office)	\$300,000
The City of Marsing would like to replace failed sources, rehabilitate distribution system and investigate a Treatment system for arsenic.		
Fairways HOA	(Canyon County, Boise Regional Office)	\$300,000
Fairways Homeowner Association wants to install treatment for radionuclide MCL violation.		
Caribou Acres HOA	(Bannock County, Pocatello Regional Office)	\$150,000
Caribou Homeowners Association wants to install Pb/CU Treatment.		
Falls Water Company	(Bonneville County, Idaho Falls Regional Office)	\$250,000
Complete upgrades to supply, treatment, pumping, storage, and distribution systems.		
City of Butte City	(Butte County, Idaho Falls Regional Office)	\$625,000
This project includes an upgrade to the City's supply, storage, distribution and booster pump facilities, and the addition of meters.		
Fish Haven Pipe Line Co.	(Bear Lake County, Pocatello Regional Office)	\$300,000
Fish Haven wants to upgrade their distribution lines and add more storage.		
East Shoshone County Water District - Burke	(Shoshone County, Coeur d'Alene Regional Office)	\$180,000
The Water District's project is aimed at achieving compliance with the Surface Water Treatment Rule and to replace the distribution system.		
Kingston Water District #1	(Shoshone County, Coeur d'Alene Regional Office)	\$2,600,000
The District has signed a voluntary consent order to find a new water source (SWTR) or fix the existing source by adding filtration. This project will also install corrosion control to address requirements of the Safe Drinking Water Act.		
City of Castleford	(Twin Falls County, Twin Falls Regional Office)	\$200,000
The City wants to upgrade their existing system to remove arsenic.		
City of Bloomington	(Bear Lake County, Pocatello Regional Office)	\$300,000
The City of Bloomington seeks to establish a second source.		

Harpster Community System (Idaho County, Lewiston Regional Office) \$150,000

This project upgrades the water source to eliminate bacterial contamination, repair leaking storage tank and upgrade distribution system.

City of Hansen (Twin Falls County, Twin Falls Regional Office) \$1,700,000

The existing wells and storage tanks do not have adequate capacity, there is a lack of fire flow, some of the distribution system is old, 4-inch lines that need to be replaced. This loan will provide funds to construct a new well and well house, a new storage tank, distribution system improvements and a new SCADA system.

City of Burley (Cassia County, Twin Falls Regional Office) \$4,000,000

The existing wells and storage tanks do not have adequate capacity, there is a lack of fire flow, and some of the distribution system is old, 4-inch lines that need to be replaced. There also is a nearby mobile home park with contaminated water. This loan will provide funds to construct a new well, a new storage tank, distribution system improvements, service to the mobile home park and a new SCADA system.

City of Chubbuck (Bannock County, Pocatello Regional Office) \$300,000

These funds will be used to purchase and install an additional storage reservoir.

Splendid Acres Water Association (Elmore County, Boise Regional Office) \$100,000

This project upgrades a twenty-year-old system including wells, distribution system, disinfection system, and pump equipment.

ED-DAH-HOW Acres (Teton County, Idaho Falls Regional Office) \$50,000

ED-DAH-HOW seeks to upgrade their distribution system.

City of Nampa (Canyon County, Boise Regional Office) \$3,000,000

Provide additional storage capacity and treatment for secondary contaminants.

Cottonwood Point Water and Sewer Assoc. (Benewah County, Coeur d'Alene Regional Office) \$250,000

Drill a new well, add more storage, and upgrade the wellhouse.

Atlanta Water Association (Elmore County, Boise Regional Office) \$200,000

Install additional filter and storage capacity.

City of Homedale (Owyhee County, Boise Regional Office) \$450,000

Upgrade existing distribution system.

Sagle Valley Water District (Bonner County, Coeur d'Alene Regional Office) \$1,600,000

Correct distribution line inadequacies and expand the system to provide for regionalization opportunities.

City of Kooskia (Idaho County, Lewiston Regional Office) \$200,000

Upgrade distribution system and add more storage.

City of Kendrick (Latah County, Lewiston Regional Office) \$475,000

Develop a new well.

City of Driggs (Teton County, Idaho Falls Regional Office) \$100,000

Upgrade distribution lines.

Rustic Acres Mobile Home Park (Ada County, Boise Regional Office)

\$73,000

Drill a new well, upgrade pump equipment, test new well.

Tamarack Falls - Wagon Wheel and Edwards Water Systems

(Valley County, Boise Regional Office)

\$532,202

Development of a central drinking water system to replace individual wells. The project will include storage, distribution, wells, and pumping facilities.

ATTACHMENT III
FY 2005 STATE DRINKING WATER LOAN PROJECT PRIORITY LIST

Rank	Project	FY 2005 Rating	PWS	POP	Regional Office	DEQ Estimated Loan Amt.	DW Loan Project Description
1	City of Bancroft	221	ID6150002	450	PRO	800,000	New well, rehab. well, storage, distribution.
2	City of Preston	221	ID6210014	4682	PRO	4,000,000	Upgrade, distribution, storage, meters
3	City of Marsing	165	ID3370013	942	BRO	300,000	Replace failed sources, rehabilitate distribution system and investigate treatment system for arsenic.
4	Fairways HOA	147	ID3140218	70	BRO	300,000	Install treatment for radionuclide MCL violation.
5	Caribou Acres	124	ID6030005	160	PRO	150,000	Pb/CU Treatment
6	Falls Water Company	105	ID710030	7,500	IFRO	250,000	Complete upgrades to supply, treatment, pumping, storage, and distribution systems.
7	City of Butte City	101	ID61220002	76	IFRO	625,000	Upgrade supply, storage, distribution and booster pump facilities. Add meters.
8	Fish Haven Pipe Line Co.	98	ID6040011	200	PRO	300,000	Upgrade distribution lines and add more storage.
9	East Shoshone County Water District - Burke	89	ID1400016	40	CRO	180,000	SWTR compliance and replacement of distribution system
10	Kingston Water District #1	86	ID1400030	700	CRO	2,600,000	Install filtration or well (SWTR) and corrosion control (SDWA).
11	City of Castleford	71	ID5420010	300	TFRO	200,000	Upgrade existing system to remove arsenic.
12	City of Bloomington	67	ID6040007	225	PRO	300,000	Second source
13	Harpster Community System	63	ID2250026	38	LRO	150,000	Upgrade water source to eliminate bacterial contamination, repair leaking storage tank and upgrade distribution system.
14	City of Hansen	55	ID5420027	976	TFRO	1,700,000	Develop a new well, install a new storage tank, upgrade distribution system, and install SCADA.
15	City of Burley	46	ID5160008	9,500	TFRO	4,000,000	Upgrade storage and distribution and develop a new source.
16	City of Chubbock	44	ID6030008	9999	PRO	300,000	Additional storage reservoir

Rank	Project	FY 2005 Rating	PWS	POP	Regional Office	DEQ Estimated Loan Amt.	DW Loan Project Description
17	Splendid Acres Water Association	43	ID4200048	94	BRO	100,000	Upgrade a twenty-year-old system including wells, distribution system, disinfection system, and pump equipment.
18	ED-DAH-HOW Acres	38	ID7410019	62	IFRO	50,000	Upgrade distribution system.
19	City of Nampa	38	ID3140152	60,000	BRO	3,000,000	Provide additional storage capacity and treatment for secondary contaminants.
20	Cottonwood Point Water and Sewer Assoc.	37	ID1050008	86	CRO	250,000	Drill a new well, add more storage, and upgrade the wellhouse.
21	Atlanta Water Association	35	ID4200005	112	BRO	200,000	Install additional filter and storage capacity.
22	City of Homedale	33	ID3370012	2,500	BRO	450,000	Upgrade existing distribution system.
23	Sagle Valley Water District	32	ID1090118	75	CRO	1,600,000	Correct distribution line inadequacies and expand the system to provide for regionalization opportunities.
24	City of Hailey	32	ID5070022	7,200	TFRO	2,400,000	Construct a new reservoir and make distribution improvements.
25	City of Kooskia	30	ID2250032	675	LRO	200,000	Upgrade distribution system and add more storage.
26	City of Kendrick	30	ID2290019	369	LRO	475,000	Develop a new well.
27	City of Driggs	29	ID7410004	1,100	IFRO	100,000	Upgrade distribution lines.
28	Rustic Acres Mobile Home Park	29	ID4010126	540	BRO	73,000	Drill a new well, upgrade pump equipment, test new well.
29	Tamarack Falls - Wagon Wheel and Edwards Water Systems	29	ID4430001	1,500	BRO	2,600,000	Development of a central drinking water system to replace individual wells. The project will include storage, distribution, wells, and pumping facilities.
30	City of Ketchum	27	ID5070029	3,100	TFRO	250,000	Replace old water mains, install new water service, and complete installation of water meters.
31	Hayden Lake Irrigation District	24	ID1280087	4,200	CRO	750,000	Additional well and upgrade the control system.
32	City of McCall	20	ID4430033	396	BRO	1,800,000	Install two new storage tanks (1.9mill-gallons total) and add an ancillary system upgrade.
33	Wymosa Water Trust	19	ID4010161	280	BRO	55,000	Replace deteriorating distribution system.

Rank	Project	FY 2005 Rating	PWS	POP	Regional Office	DEQ Estimated Loan Amt.	DW Loan Project Description
34	City of Heutter	16	ID1280100	41	CRO	80,000	Upgrade of pressure sustaining system.
35	City of Midvale	16	ID3440007	114	BRO	200,000	Replace existing undersized mains and redevelop wells.
36	Towns Village Mobile Home and RV Park	10	ID7410019	100	BRO	50,000	Develop a new well and install pumping equipment for it. Make any upgrades to the distribution system that are needed.
37	City of Meridian		ID4010097	45,000	BRO	400,000	Facility and distribution system upgrade.

WARNING: USE OF THIS LIST AS A MAILING LIST OR AS A TELEPHONE NUMBER LIST IS PROHIBITED BY IDAHO CODE SECTION 9-348 AND IS PUNISHABLE BY A CIVIL PENALTY OF UP TO 1,000.

ATTACHMENT IV

IDAHO DRINKING WATER STATE REVOLVING LOAN FUND FFY 2004 PROJECT PAYMENT SCHEDULE

Payment #	Quarter Ending	Project Fund Payments	Set-Aside Payments	Total Payments
1	September 2004	0	1,951,228	1,951,228
2	December 2004	0	207,577	207,577
3	March 2005	500,000	207,578	707,578
4	June 2005	500,000	207,578	707,578
5	September 2005	1,000,000	0	1,000,000
6	December 2005	1,000,000	0	1,000,000
7	March 2006	1,000,000	0	1,000,000
8	June 2006	1,729,139	0	1,729,139
Total		5,729,139	2,573,961	8,303,100

A payment is defined as an increase to the ceiling in the Automated Clearinghouse Payment System. Commitments cannot be made until the ceiling on the letter of credit is adequate to cover that commitment.

Each payment is for the beginning of each quarter with planned commitments to be made through the end of that quarter. Each payment must be committed within one year of the payment date, in accordance with the Safe Drinking Water Act of 1996.

ATTACHMENT V

IDAHO DRINKING WATER REVOLVING LOAN FUND DESCRIPTION OF DISADVANTAGED LOANS

In conjunction with the standard loans, the Department may award loans to applicants deemed disadvantaged using the following criteria. In order to qualify for a disadvantaged loan, a loan applicant must have a median household income that does not exceed 80% of the statewide non-metropolitan median household income from the most recent census data and an annual cost of drinking water service for residential customers which exceeds 2% of the median household income. The annual cost includes all operating, maintenance, replacement and debt service costs, both for the existing system and upgrades being financed with state revolving funds. If the applicant's service area is not within the boundaries of a municipality, the applicant may use the census data for the county in which it is located.

First the loan interest rate will be reduced from the rate established by the Administrator for standard loans to a rate that results in an annual charge equal to 2% of median household income.

The interest rate reduction may be as low as 0%. If at a 0% and a 20 year repayment the annual charge exceeds 2% of median household income, the length of the loan repayment will be extended in increments of years up to a maximum of 30 years until the annual cost equals 2% of median household income. If even at 0% interest and a 30-year repayment, the annual charge per residential user still exceeds 2% of median household income, the principal which causes the user charge to exceed 2% may be reduced. Before an applicant's principal will be reduced, the applicant must have been either declined assistance or only received partial assistance from all other state and federal agencies offering grants. The principal reduction cannot exceed 50% of the cost of an individual project. The amount of principal reduction for all projects cannot exceed 30% of the capitalization grant or \$2,490,930.

ATTACHMENT VI

PUBLIC NOTIFICATION AND INVOLVEMENT STRATEGY

FOR

SFY 2005 WASTEWATER AND DRINKING WATER PROJECT PRIORITY LISTS

The public was involved in the SFY 2005 Project Priority List development at several points in the process. Involvement for the drinking water and water pollution control Lists were the same - needs were solicited directly from the systems through a survey mailed out by the DEQ early in the Project Priority List development process. Information on the completed survey forms was used in part by the State and Regional office staff in preparing draft lists. A copy of the survey form and cover letter that were sent with it are included as attachments here. Our experience shows that combining the information obtained directly from eligible entities with that provided by our engineering staff results in the most accurate listing of state infrastructure needs.

Notification that all four SFY 2005 Project Priority Lists were available for public review was given in Idaho's six major (regional) newspapers for approximately twenty-one days prior to a hearing on the lists in Boise. Notices were published three times in each of the newspapers. Copies of proofs of publication are included as attachments here.

The hearing was held on May 12, 2004.

Notification of availability of the lists was also placed on DEQ's web site starting twenty-one days prior to the hearing. A copy of the web site cover page is included here.

Separate letters of Notification of Availability of the lists were sent to all entities included on all four lists approximately twenty-one days prior to the hearing. In those letters DEQ explained that the lists would be available for review at our regional and state offices and on the Internet.

Approval packages related to the four lists were sent to the Board of Environmental Quality prior to their meeting on June 23/24, 2004. Copies of the Issue Analyses for the SRF loan lists and the Board agenda are included as attachments here. DEQ staff made presentations at the Board meeting on June 23/24, 2004 and answered questions about the lists. All lists were approved by the Board on June 23/24, 2004.

ATTACHMENT VII

IDAHO DRINKING WATER REVOLVING LOAN FUND DOCUMENTATION OF MATCHING FUNDS FOR SET-ASIDES

State match required for the 1452(g) set-asides	\$830,310
Federal Fiscal Year 2004 State funds applied towards PWSS Program:	\$1,172,600
Required match for PWSS grant:	<u>(390,867)</u>
Over-match available from Federal Fiscal Year 2004 funds	\$781,733
State Fiscal Year 1993 funds applied to PWSS Program:	\$892,674
Total available for State Match	\$1,674,404

More match is available than is needed since only \$830,310 is needed for the match. 50%(\$415,155) will come from the Federal Fiscal Year 2004 over-match and 50%(\$415,155) will come from the State Fiscal Year 1993 credit. Expenditure of Federal Fiscal Year 2004 over-match will be documented in the Financial Status Reports (FSRs) submitted for the PWSS program.